

RECEIVED

MAR 25 2011

PUBLIC SERVICE
COMMISSION

March 25, 2011

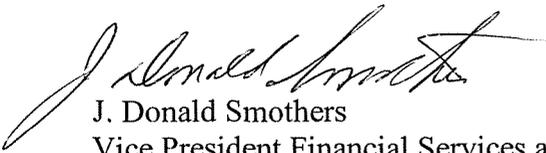
Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

HAND DELIVERED

Dear Mr. Derouen:

Pursuant to Commission Order in Case No. 2008-00128 dated August 20, 2008, attached for filing is an original and six copies of updates to Blue Grass Energy Cooperative Corporation's Tariff for Qualified Cogeneration and Small Power Production Facilities.

Very truly yours,


J. Donald Smothers
Vice President Financial Services and CFO

Enclosures

BLUE GRASS ENERGY COOPERATIVE CORPORATION

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (R)
- b. \$0.00526 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	<u>Winter</u>		<u>Summer</u>		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2011	\$0.03630	\$0.03270	\$0.03860	\$0.02742	(R)
2012	\$0.04281	\$0.03716	\$0.04829	\$0.03319	(R)
2013	\$0.04914	\$0.04157	\$0.05163	\$0.03548	(R)
2014	\$0.05434	\$0.04598*	\$0.05622	\$0.03879	(R) (I)*
2015	\$0.05991	\$0.05156	\$0.06081	\$0.04225	(N)

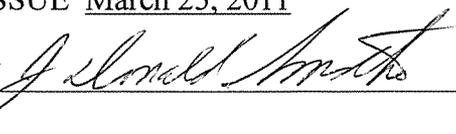
b. Non-Time Differentiated Rates:

Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
Rate	\$0.03407	\$0.04056	\$0.04488	\$0.04935	\$0.05430*	(R) (N)*

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY



TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

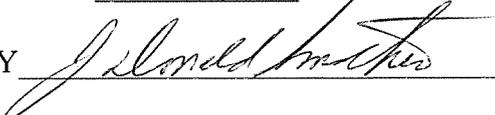
Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY  TITLE Vice President & CFO

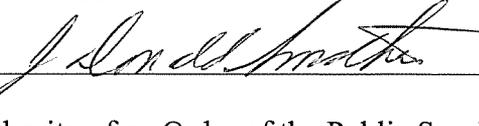
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

1. Capacity

- a. \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (R)
- b. \$0.00526 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

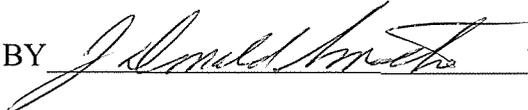
Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2011	\$0.03630	\$0.03270	\$0.03860	\$0.02742	(R)
2012	\$0.04281	\$0.03716	\$0.04829	\$0.03319	(R)
2013	\$0.04914	\$0.04157	\$0.05163	\$0.03548	(R)
2014	\$0.05434	\$0.04598*	\$0.05622	\$0.03879	(R) (I)*
2015	\$0.05991	\$0.05156	\$0.06081	\$0.04225	(N)

b. Non-Time Differentiated Rates:

Year	2011	2012	2013	2014	2015	
Rate	\$0.03407	\$0.04056	\$0.04488	\$0.04935	\$0.05430*	(R) (N)*

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

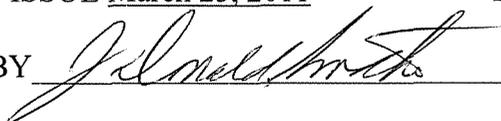
TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY



TITLE Vice President & CFO

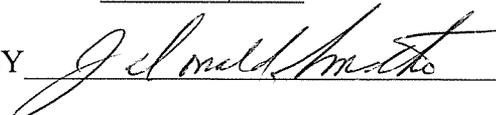
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

DATE OF ISSUE March 25, 2011

DATE EFFECTIVE June 1, 2011

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. ~~\$54.65~~ \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. ~~\$0.006990~~ \$0.00526 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

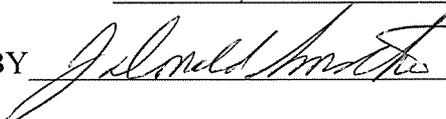
a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2010 2011	\$0.05067 \$0.03630	\$0.04160 \$0.03270	\$0.05336 \$0.03860	\$0.03158 \$0.02742
2011 2012	\$0.05605 \$0.04281	\$0.04570 \$0.03716	\$0.05521 \$0.04829	\$0.03378 \$0.03319
2012 2013	\$0.05711 \$0.04914	\$0.04514 \$0.04157	\$0.06094 \$0.05163	\$0.03651 \$0.03548
2013 2014	\$0.05858 \$0.05434	\$0.04572 \$0.04598	\$0.06574 \$0.05622	\$0.03934 \$0.03879
2015	\$0.05991	\$0.05156	\$0.06081	\$0.04225

b. Non-Time Differentiated Rates:

Year	2010 2011	2011 2012	2012 2013	2013 2014	2015
Rate	\$0.04498 \$0.03407	\$0.04858 \$0.04056	\$0.05054 \$0.04488	\$0.05278 \$0.04935	\$0.05430

DATE OF ISSUE ~~March 31, 2010~~ March 25, 2011 DATE EFFECTIVE ~~June 1, 2010~~ June 1, 2011

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE ~~March 31, 2010~~ March 25, 2011 DATE EFFECTIVE ~~June 1, 2010~~ June 1, 2011

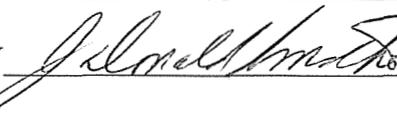
ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

DATE OF ISSUE ~~March 31, 2010~~ *March 25, 2011* DATE EFFECTIVE ~~June 1, 2010~~ *June 1, 2011*

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

1. Capacity

- a. ~~\$54.65~~ \$41.15 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. ~~\$0.006990~~ \$0.00526 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

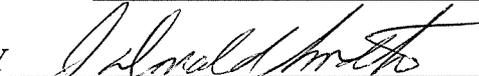
a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2010 2011	\$0.05067 \$0.03630	\$0.04160 \$0.03270	\$0.05336 \$0.03860	\$0.03158 \$0.02742
2011 2012	\$0.05605 \$0.04281	\$0.04570 \$0.03716	\$0.05521 \$0.04829	\$0.03378 \$0.03319
2012 2013	\$0.05711 \$0.04914	\$0.04514 \$0.04157	\$0.06094 \$0.05163	\$0.03651 \$0.03548
2013 2014	\$0.05858 \$0.05434	\$0.04572 \$0.04598	\$0.06574 \$0.05622	\$0.03934 \$0.03879
2015	\$0.05991	\$0.05156	\$0.06081	\$0.04225

b. Non-Time Differentiated Rates:

Year	2010 2011	2011 2012	2012 2013	2013 2014	2015
Rate	\$0.04498 \$0.03407	\$0.04858 \$0.04056	\$0.05054 \$0.04488	\$0.05278 \$0.04935	\$0.05430

DATE OF ISSUE ~~March 31, 2010~~ March 25, 2011 DATE EFFECTIVE ~~June 1, 2010~~ June 1, 2011

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

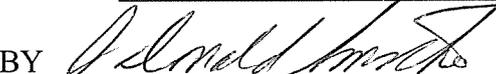
On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE ~~March 31, 2010~~ *March 25, 2011* DATE EFFECTIVE ~~June 1, 2010~~ *June 1, 2011*

ISSUED BY  TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

EAST KENTUCKY POWER COOPERATIVE, INC.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

DATE OF ISSUE ~~March 31, 2010~~ *March 25, 2011* DATE EFFECTIVE ~~June 1, 2010~~ *June 1, 2011*

ISSUED BY *J. Donald Mathis* TITLE Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008